

This letter references the exemptions from Gas Use Tax for governmental, charitable, religious, and educational entities. See 35 ILCS 173/5-50. (This is a GIL.)

May 25, 2004

Dear Xxxxx:

This letter is in response to your letter dated January 29, 2004, in which you request information. We apologize for the delay in responding to your inquiry. The Department issues two types of letter rulings. Private Letter Rulings ("PLRs") are issued by the Department in response to specific taxpayer inquiries concerning the application of a tax statute or rule to a particular fact situation. A PLR is binding on the Department, but only as to the taxpayer who is the subject of the request for ruling and only to the extent the facts recited in the PLR are correct and complete. Persons seeking PLRs must comply with the procedures for PLRs found in the Department's regulations at 2 Ill. Adm. Code 1200.110. The purpose of a General Information Letter ("GIL") is to direct taxpayers to Department regulations or other sources of information regarding the topic about which they have inquired. A GIL is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120. You may access our website at www.ILTAX.com to review regulations, letter rulings and other types of information relevant to your inquiry.

The nature of your inquiry and the information you have provided require that we respond with a GIL. In your letter you have stated and made inquiry as follows:

I represent a for-profit entity that provides medical rehabilitation services. In order to determine whether that entity would be entitled to a gas use tax exemption for gas piped in from out of State, I phoned the phone number listed on the attached RG-61 form and spoke with Mr. AAA. Mr. AAA suggested that I direct my question to you. As pointed out to Mr. AAA, the second description under step 3 on form RG-61 describes a government body or entity organized and operated exclusively for charitable, religious or educational purposes, but does *not* specify that that entity must be not-for-profit.

I would appreciate your advice as to whether a for-profit entity that operates exclusively for charitable, religious or educational purposes would qualify for the RJ-61 gas tax use exemption.

DEPARTMENT'S RESPONSE:

The exemptions for the Gas Use Tax are found in Section 5-50 of the Gas Use Tax Law. 35 ILCS 173/5-50. The governmental, charitable, religious, or educational entities you are referring to must have been issued a tax exemption identification number by the Department of Revenue pursuant to Section 1g of the Retailers' Occupation Tax Act in order for them to qualify for the exemption.

Johnson and Colmar

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I hope this information is helpful. If you require additional information, please visit our website at www.ILTAX.com or contact the Department's Taxpayer Information Division at (217) 782-3336. If you are not under audit and you wish to obtain a binding PLR regarding your factual situation, please submit a request conforming to the requirements of 2 Ill. Adm. Code 1200.110 (b).

Very truly yours,

Terry D. Charlton
Associate Counsel

TDC:msk